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ABSTRACT

The Board of Regents, at its September 4, 1975 meeting, approved the State Appropriation Formula (revised 1976). The public institutions of higher education in Louisiana are to use this document in preparing requests for operating funds for fiscal 1976-77. The 11 sections of the formula are presented, dealing with: authority, introduction, basic factor chart, salary base, state appropriation, functional category distribution, funding requests, special requests, other means of financing, exclusions, and audit procedures. (LBH)

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# STATE APPROPRIATION FORMULA

## Board Of Regents



REV.: 1976

BOARD OF REGENTS

STATE APPROPRIATION FORMULA

REVISED: 1976

STATE OF LOUISIANA
BOARD OF REGENTS
P.O. Box 44362, Capitol Station
Baton Rouge 70804
Area Code 504—389-5206

September 10, 1975

The Honorable Edwin Edwards
Governor, State of Louisiana
State Capitol
Baton Rouge, Louisiana 70804

Dear Governor Edwards:

The Board of Regents, at its September 4, 1975 meeting, approved the State Appropriation Formula (Revised: 1976). The public institutions of higher education are to use this document in preparing requests for operating funds for fiscal 1976-77.

The requirements of the budgetary processes and the earlier statutory submission requirement made it essential that the institutions be provided this document at an early date. Based on current information, the revisions contained in this edition are those considered reasonable and necessary to adequately meet the anticipated needs of the higher education community for the next fiscal year. We are continuing our research for refining and broadening the Formula to incorporate those features which will continue to make it a viable and equitable funding tool.

The Regents are of the opinion that formula funding, if adhered to, provides an equitable method of budgeting higher education. To achieve this equity will require cooperation and understanding from both the Executive and the Legislative branches of government. For an enrollment oriented formula to work properly, there must be recognition of all three stages of institutional existence, i.e., increasing, decreasing, and standstill enrollments. Funding policy that responds to these three stages will bring about both public and institutional acceptance, understanding, and confidence in the formula method for distributing funds.

Your continued interest and support of adequate and equitable funding for higher education provides positive leadership in developing a higher educational system that is responsive to the requirements of our citizens.

Sincerely,

Thomas James
Thomas James, Chairman

W. J. DeFelice
W. J. DeFelice, Chairman of Finance Committee

William Arceneaux
William Arceneaux, Commissioner of Higher Education

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Appendices

## SECTION I - AUTHORITY

This formula is submitted in accordance with Article VIII, Section 5-(D)(5) of the Louisiana Constitution of 1974 which mandates the Board of Regents "to formulate and make timely revision of a master plan for higher education. As a minimum, the plan shall include a formula for equitable distribution of funds to the institutions of higher education." Additionally, there have been repeated requests in the past from the Executive and Legislative branches of state government and the institutions themselves for the development of an equitable method for determining funding levels for each institution.

## SECTION II - INTRODUCTION

The complex character of educational institutions, combined with increasing enrollments and operational costs in the last decade, exerted a demand for a more uniform method to distribute tax generated funds to state institutions of higher learning. These pressures resulted in the development of numerous higher education formulae in numerous states using various factors of measurement as input for calculations to derive state appropriations to public colleges and universities. The number of states adopting this approach of "formula funding" has continually increased since the early 1960's; one survey indicated that twenty-five states utilized this method in 1973, and indications are that the trend is continuing. In computing the required amount of state funding, these formulae

range in complexity from those using a few factors to those using many factors.

There are inherent advantages in using the formula approach to determine state appropriations. The formula method results in the accumulation of measurable data from institutions; it permits the use of mathematical calculations that remove the necessity for subjective evaluation; and it is objective in nature and identifies the needs of all institutions in comparable terms. Primarily, the formula concept is equitable. This formula uniformly places financing on a per-student credit hour basis for each institution. Equity, and not necessarily equality, is the basic objective of the formula.

The intention of this formula does not extend to the internal allocation of funds for any functional category, specific discipline or program. The internal allocation necessary for the development of an effective program of higher education on each campus remains a prerogative of that campus administration and its governing board. It should be explicitly understood that dollar values used in this formula do not in any way correlate to budgetary levels or actual expenditures in any program area.

A.

## SECTION III - BASIC FACTOR CHART

### BASIC FACTOR CHART

(DOLLARS PER STUDENT CREDIT HOUR)

EFFECTIVE FOR 1976-77 FISCAL YEAR

| PROGRAM AREA | HEGIS TAXONOMY CODES | LEVEL OF OFFERING: LOWER LEVEL UNDERGRADUATE | UPPER LEVEL UNDERGRADUATE | MASTER'S | SPECIALIST/ PROFESSIONAL | DOCTORATE |
|---|---|---|---|---|---|---|
| Agriculture | 0101-0199 | $ 24.00 | $ 38.24 | $104.62 | | $210.26 |
| Engineering | 0901-0999 | 26.67 | 44.84 | 110.78 | | 220.52 |
| Fine Arts & Architecture | 0201-0299 1001-1099 | 31.65 | 44.61 | 104.62 | | 220.52 |
| Law | 1401-1499 | | | | $ 61.54 | |
| Nursing | 1203 | 123.08 | 123.08 | 174.36 | | |
| Allied Health & Pharmacy | 1208,1211-1215 1220,1223-1225 | 26.67 | 44.84 | 110.78 | | 220.52 |
| Sciences | 0401-0499 and 0700-0799 and 1901-1999 | 22.86 | 36.93 | 110.78 | | 220.52 |
| Technology | 5300-5399 | 26.67 | | | | |
| All Other: | | | | | | |
| 1st 20,000 SCH's | | 28.84 | 25.18 | 104.62 | 138.47 | 210.26 |
| All in Excess of 20,000 SCH's | | 19.24 | | | | |

B. DEFINITIONS AND INTERPRETATIONS

1. Values

The values in the chart are based upon assignments for average academic year (nine month) salaries, pupil/teacher ratios (P/T), and definitions of full time equivalent students in SCH's per academic year. The value for veterinary medicine will not be determined or be effective until after the fiscal year in which a full complement of students has been accepted by the School of Veterinary Medicine. The value in the "All Other" program area under the level of "Specialist/Professional," refers to SCH's produced by Education Specialist candidates only. The conversion of contact hours to credit hours for those laboratory courses offered in the Vocational Trades Division of Delgado Junior College will be calculated on a 4:1 ratio (contact hours/credit hours). The values shown in the chart have been adjusted for the 5% salary increases that were granted on January 1, 1975.

2. Level

The assignments in the chart were stratified by level of offering and by program area. In the reporting of SCH productivity, the level of offering for a given SCH will be determined by the classification of the student pursuing the course.

3. Student Classification Structure

| Classification Structure | Earned Credits |
|---|---|
| Lower Level Undergraduate | 0 - 59 semester hours |
| Upper Level Undergraduate | 60 semester hours - graduation |
| Masters | Accepted for Graduate Study; Masters and Masters plus thirty |
| Specialist | Formally admitted to study toward Education Specialist |
| Doctorate | Formally admitted to study toward the Doctorate |

4. Additional Student Classification Definitions

(a) A post-baccalaureate student enrolled in a state institution of higher learning, but not officially admitted to graduate school, is to be counted as "upper level undergraduate."

(b) The categories presently recognized as "professional" are Law (only those courses taught in a professional school of Law), Veterinary Medicine, Dentistry and Medicine. Of these, only Law is currently included in this formula.

(c) "Deferred credit" is defined as credit earned by students when credit is granted at a later date, such as graduation from high school. These "deferred credits" may be counted in an institution's SCH production during the period in which the student is officially registered in the class, and must be recorded in the proper classification for that student.

(d) SCH credit earned in courses taught out-of-state and out of the continental United States are to be counted for student classification purposes and are to be included on the SCH production report for formula purposes, also. Records must be kept by course and location indicating the students and the SCH's produced for each such course, and upon completion of that course be reported to the Board of Regents.

(e) An institution may not count audits in its SCH production report.

(f) Credit by examination, transfer credit, or correspondence study credit taken at another institution may be used only in the classification of the student and not in an institution's SCH production report. An institution may accept a provisional student's classification on the basis of the best knowledge available during the first semester of enrollment at the institution.

(g) Credit earned in a cooperative institution (hospital, etc.) by a student enrolled in Medical Technology (or any curriculum requiring such arrangement) may not be counted in an institution's SCH production report.

(h) Student classification must be updated each semester.

5. Program Area

The program areas and taxonomy codes used in the Basic Factor Chart have not been expanded for this revision. The areas used are

specific ones extracted from the taxonomy developed by the Western Interstate Commission for Higher Education (WICHE) for the United States Office of Education. Future revisions of the formula may utilize more program areas, but not to the extent of having a complicated or unwieldy formula.

## SECTION IV - SALARY BASE

A. After extensive examination of the levels of operation in Louisiana, a comparison of levels of operation in other states, and an analysis of average faculty salaries in the states comprising the Southern Regional Education Board and the Southern Association of Colleges and Schools, a structure for the assessment of salaries associated with instruction was evolved. It was recognized that the salary base is not supported from state appropriations alone; however, through the solution of some relatively simple algebraic relationships it can be used to derive the required state appropriation to fund the recognized functions of higher education.

B. To determine the salary base, student credit hours (SCH) that remain scheduled on the 14th class day are separated into program areas and levels, using the HEGIS Taxonomy and student classification, respectively. At the time legislative budget requests are prepared, summer and fall productivity data are complete. The approaching spring session production estimate should be based on the experience of the previous spring. Actual spring data will be available prior to the regular legislative session and all institutions must submit

adjusted reports by February 23, 1976 (Louisiana Tech - April 7, 1976). The SCH's used for the three (3) sessions shall be net, reflecting all transactions (drops, adds, resignations, etc.), occurring prior to the cutoff date. The resulting net SCH's are multiplied by the appropriate values on the Basic Factor Chart (Section III), and the sum of the these products establishes the SALARY BASE, which is calculated on State Budget Request form BRC-1A. (For further details on SCH reporting dates, refer to Appendix B.)

## SECTION V - STATE APPROPRIATION

A. For 1974-75 state appropriations represented 76.0% for the Louisiana State University System, 81.1% for the Southern University System, and 82.9% for the Board of Trustees System, of Educational and General expenditures. For 1975-76 the comparable figures are 75.5%, 82.1%, and 82.1% respectively. Previous analysis of a number of other statewide systems indicates corresponding percentages ranging from 49.5% to 75.1% with an average of 63.1%--generally much lower than Louisiana's figures. This formula derives 73% of E & G funds from the state.

In order to relate these factors to the previously determined Salary Base (Section IV), an additional factor has been established. This factor is the percent of expenditures for Resident Instruction and Related Activities represented by faculty salaries (Salary Base).

Analysis of several statewide systems indicated a range from 58.1% to 71.5% with an average of 63.4%. The factor of 66% has been chosen for all institutions in Louisiana.

The solution of a set of relatively simple algebraic equations (Appendix C), simultaneously satisfying all of the relationships advanced in the previous statements, indicates that the formula generated STATE APPROPRIATION portion of the total budget is related to the SALARY BASE (Faculty Salaries) by the relationship:

State Appropriation = Salary Base Plus 62.65% of the Salary Base

B. An adjustment factor of ten percent (10%) has been established to recognize the existence of certain overhead costs that are disproportionately higher in small two (2) year institutions. To qualify as small, a two (2) year institution shall have a fall full time equivalent enrollment of 1,500 or less.* This adjustment factor is to be incorporated into the algebraic equation so that the state appropriation portion of the total budget is related to the SALARY BASE (Faculty Salaries) by the relationship:

State Appropriation = Salary Base Plus 78.92% of the Salary Base

This will effectively recognize the higher overhead cost of small two year institutions and will allow one percentage level of implementation for all institutions.

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*One full time equivalent (FTE) will be fifteen (15) semester credit hours.

## SECTION VI - FUNCTIONAL CATEGORY DISTRIBUTION

A. Allocations to Educational and General Expense

Dr. John Dale Russell* recommended allocations of expenditures to the eight functional categories of the Educational and General function. These categories, in use until recently, were: (1) Resident Instruction; (2) Organized Activities Related to Instruction; (3) Organized Research; (4) Extension and Public Service: (5) Libraries; (6) General Administration; (7) General Expense; and (8) Maintenance and Operation of Physical Plant. If the first four are grouped under one heading his recommendations are reduced to four groups as follows:

| | |
|---|---|
| Resident Instruction and Related Activities | At least 63% |
| Libraries | 5% to 6% |
| General Administration | 15% or less |
| Operation and Maintenance of Physical Plant | 16% or less |

Further analysis in conjunction with Dr. Russell's research led to the selection of the following suggested allocations of total educational and general expenditures:

| | |
|---|---|
| Resident Instruction and Related Activities | 68% |
| Libraries | 5% |
| General Administration and General Expense | 15% |
| Operation and Maintenance of Physical Plant | 12% |
| | 100% |

*Russell, John Dale, "Budgetary Analysis," College Self-Study, Richard Axt and Hall T. Sprague, Eds. (Boulder, Colorado: Western Interstate Commission for Higher Education, 1959), p. 106.

Recent developments will have a definite impact on these allocations. Two such developments are: (1) The establishment of new functional categories within the Educational and General Function by N.A.C.U.B.O.*; and (2) The energy crisis has sent utility costs soaring which may change the physical plant allocation. Recognizing these disparities, but not having sufficient data to support new recommended allocations, the old percentages shall be retained as broad guidelines.

The new functional categories as established by N.A.C.U.B.O. and how they should be converted for percentage allocation purposes are as follows:

| N.A.C.U.B.O. New Categories | Conversion to Russell's Percentage Allocations |
|---|---|
| (1) Instruction | R.I.R.A. |
| (2) Research | R.I.R.A. |
| (3) Public Service | R.I.R.A. |
| (4) Academic Support | R.I.R.A. |
| (Libraries)** | Libraries |
| (5) Student Services | G.A.G.E. |
| (6) Institutional Support | G.A.G.E. |
| (7) Scholarships and Fellowships | G.A.G.E. |
| (8) Operation and Maintenance of Plant | O.M.P.P. |

It should be noted that Staff Benefits (Related Benefits) costs are to be reported as a cost in the department (category) in which

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*National Association of College and University Business Officers

**For comparative purposes, Libraries are to be extracted from Academic Support.

an individual is employed. This is as recommended by N.A.C.U.B.O. in the most recent publication of the handbook, College and University Business Administration, 1974.

## SECTION VII - FUNDING REQUESTS

A. Because the budgetary process requires considerable planning and effort, it is necessary that the requests be both reasonable and adequate to meet institutional needs and to be within the state's funding capabilities. Therefore, these requests are to be prepared as set forth in this formula document. The resultant budgets are to be reviewed and evaluated, and hearings conducted thereon in order to determine final recommendations to be made by the Board of Regents in its annual consolidated budget recommendations to the Executive and Legislative branches of state government.

B. The 1976-77 budget requests for all institutions subject to the formula are to be based on an implementation rate of ninety-two percent (92%). However, no institution has to request less than the 1975-76 amount of state appropriations.

C.1. Funding requests for areas excluded from the formula shall be reached on an individual basis as set forth in Section X, Exclusions.

2. The amount of increase to be requested for those exclusions funded by the overall percentage increase method [see Section X (B.1)] is 10.55%. This percentage will be recalculated in the spring of 1976 when updated BRC-1 and BRC-1A forms are received indicating

actual enrollments for the full academic year. Simultaneously, these reports will generate an adjusted state appropriation amount to be used in computing the new overall amount and percent of increase for the SCH producing units. The overall percent of increase will be applied to the appropriate exclusions.

D. Funding requests for management boards and their staff, i.e., the Louisiana State University System, the Southern University System, and the Board of Trustees System will be as set forth in Section X, Exclusions.

The funds for the operations of these management boards are an actual cost allocable to each segment of the respective boards. Therefore, an institution's pro rata share of system costs plus that individual institution's state appropriation shall be used to determine the attainment of the one hundred percent (100%) level of implementation.

## SECTION VIII - SPECIAL REQUESTS

Justification for extraordinary expenditures, for a limited, predetermined period, should reference this section. The purpose of this section is to provide a means for requesting funds extraneous to the formula, for items particular and peculiar to a specific situation, e.g., a land purchase, large equipment purchase to meet accreditation requirements, etc. Each request is to be supported by a separate, concise report giving the purpose, the necessity, the expected results, the minimum amount needed, and the method of determining this amount. In

addition, if the possibility exists that special funding will be required for more than one year, the expected duration shall be given with a complete explanation. Requests for unending continuous functions, to avoid inclusion in formula funding, will not be granted.

If a special request is granted for a program that will produce SCH's then the funds received will be included in calculating the level of implementation for the recipient institution.

## SECTION IX - OTHER MEANS OF FINANCING

All annually recurring revenues, regardless of source, shall be budgeted by each institution. There are several reasons for this requirement: (1) The 1974 Constitution requires the annual appropriation of all funds for budgetary purposes; (2) Budgeting provides responsible fiscal control over funds; and (3) Budgeting requires planning in advance which, if properly done, normally results in more efficient and economical use of available resources. Institutions are the recipients of revenues from many varied sources. Some examples of what should be included in the annual budgets, both the request and operating, are tuition and student fees; parking fees and fines; library fines; income from publications; income from sales and services; recurring federal funds such as George Barden, Vocational Education, McIntire-Stennic, etc.; user fees in continuing education, correspondence study, and extension courses; and auxiliary income, if expenditures are made for auxiliary operations from state appropriations.

## SECTION X - EXCLUSIONS

A. Two Primary Reasons for this Section Providing Funding Outside Formula-Generated Appropriations

1. A method of measurement has not been devised for those certain institutions or operations that do not utilize student credit hours (SCH) as a determinant of productivity. These are the Louisiana State University Medical Center and the Louisiana State University Center for Agricultural Sciences and Rural Development. Research is underway to develop a method of formula funding for all components of the Medical Center.

2. Other exclusions consist of specific items that do not fall within the normal scope of operations of all institutions. For that reason they are separated from formula consideration to provide a more sound basis of comparison between institutions. Included in this category are bond service and special funds for capital outlay (for those institutions that include these funds in the operating budget), Louisiana State University Retirement Stipend Liability, Organized Research and Public Service performed by Louisiana State University-Baton Rouge, and Laboratory Schools at Louisiana State University-Baton Rouge and Southern University-Baton Rouge.

B. Method of Determining Recommended Funding Level

1. Funding of those exclusions that are not otherwise provided for will be the same percentage of increase as the overall average percent of increase for all units under the SCH formula funding

provisions. [See Section VII (B.2).]

In the following category are the units for this year:

a. Southern University Board and System Staff (less start-up costs)

b. Board of Trustees and Staff (less start-up costs)

c. Louisiana State University Board and System Staff

d. Louisiana State University Medical Center

e. Center for Agricultural Science and Rural Development

f. Organized Research and Public Service - Louisiana State University-Baton Rouge Campus*

2. The School of Veterinary Medicine is to prepare a budget request consistent with the actual needs for establishing the program, including anticipated costs relative to occupancy of their new facilities.

3. Funding for the Louisiana State University Retirement Stipend Liability shall be based on the current year's actual budget cost, adjusted for anticipated new retirements and deaths. The funds allocated for this expense shall be used exclusively for these stipends and direct administrative costs related to the program.

4. Louisiana State University has received dedicated revenues for a number of years which could be bonded and expended for capital facilities. Capital outlay in the Board of Trustees and Southern University Systems has been handled outside of operating

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*Other justification and supporting details for funding above this level for these categories may be submitted for review and recommendations.

budgets whereas the Louisiana State University System has used a combination approach. Because commitments are already made requiring the expenditures of annual appropriation funds to service these commitments, it is recommended that these funds be received by Louisiana State University above the formula amounts until these commitments are retired. In compliance with the Constitution and Laws of this state, additional commitments can not be made without approval of the Board of Regents.

5. Laboratory Schools - It is recommended that each public college or university operating a public Laboratory School receive the proper allocation of funds based on the Minimum Foundation Formula of the State Department of Education. For LSU-BR and Southern-BR, these funds should be specifically appropriated to the institutions.

## SECTION XI - AUDIT PROCEDURE

The use of a state appropriation formula results in Student Credit Hours (SCH) becoming dollars through the conversion using the Basic Factor Chart. The audit procedure previously established by the Coordinating Council, with the cooperation of the institutions involved, the State Budget Office, and the Legislative Auditor's Office will continue to be used for this revision. This will insure correct and consistent interpretation and application of the procedure for recording and receiving credit for SCH production and will facilitate the use of the State Appropriation Formula. Every affected institution shall be visited each

year to provide any required assistance and to validate the methods and procedures used and the resultant data. The auditors shall use a predetermined audit outline including statistically proven record search patterns and those record areas requiring comparisons. Records to be examined shall include but not be limited to the following: Class rolls; final grade reports; drop/add records; transcripts; student schedules; withdrawals and resignations; and any other relevant data sources.

Discrepancies shall be noted and reconciled and the necessary corrective action shall be taken. Should a particular situation warrant it, the audit will be expanded so that the extent of the problem can be determined and the SCH production reports amended to indicate the correct production figures. Official notification of the adjustment shall be given to all concerned parties.

APPENDIX A

## STANDARDIZED REPORTING FORMS

The student credit hour audit procedure as it exists presently takes 14th class day data (department, course, section, credit hours, number enrolled, student identification, and SCH's produced) and compares them to final grade reports. Any exceptions must be substantiated with support documentation, i.e., properly prepared drop, add, or resignation forms. This provides a uniform reporting system to put all institutions of higher education in the state on a common base, using three standardized report formats. These reports, the (1) Class Roster, (2) Detail Formula Level Report, and (3) Summary Formula Area Report, are to be prepared by all institutions.

The reports should be prepared as of the close of the 14th class day during the regular semesters and the 7th class day during the summer session, (Louisiana Tech - 9th class day). Two copies of the Summary Formula Area Report should be sent to the Board of Regents by the 24th class day of each regular semester and the 17th class day of the summer session (Louisiana Tech - 19th class day). For new classes beginning after the 14th (7th, 9th) class day, each institution will be required to file a supplementary report of SCH's produced. These classes are to be reported in the session in which they are completed or in the following session if they are conducted totally in an interim period. The SCH production is to be reported in keeping with the two preceding requirements. These supplemental reports will be due upon

issuance of final grades in the reporting session. A class day is defined as a regular class schedule day; Saturday and Sunday are to be excluded as class days.

A common sequence arrangement of the various reports is to be used by all institutions; this method will simplify the audit procedure and provide for a uniform communication basis. The Class Roster, Detail Formula Level Report, and the Final Grade Report are to all be arranged in the same sequence, alpha by course name or title/or alpha by course name or title within college.

All exceptions between the 14th class day (9th class day for Louisiana Tech) and the Final Grade Report must be supported by properly prepared and authorized drop, add, or resignation forms which are to be maintained for all courses by semester, filed in alphabetical order by student's last name. The Summary Formula Area Report is a summary report and should be arranged in alpha order and course number within each formula area breakdown.

All resident and extension courses taught off the main campus should be identified by a unique section number or the abbreviation "EXT" or "OC" should be placed in the section number column opposite each course in the Detail Formula Level Report.

APPENDIX B

## FUTURE DETERMINATION OF SCH PRODUCTION REPORTING DATE

The Board of Regents has elected to continue the use of the 14th class day (rather than final grades) for reporting the number of semester credit hours (SCH's) generated by each institution. This has resulted primarily from the lack of sufficient data upon which to base a choice between these alternatives. Also, the data received indicates a large deviation in the attrition experienced by the reporting institutions.

To facilitate further research and study for the possible conversion to final grade SCH production for formula purposes, each institution will be required to furnish annual reports. These reports, at a minimum, are to consist of recalculated BRC-1 and BRC-1A budget forms reflecting SCH production based on the final grade report.

APPENDIX C

SIMPLE ALGEBRAIC RELATIONSHIPS
and
SPECIAL 10% FACTOR FOR USE BY QUALIFYING INSTITUTIONS ONLY

A. Represent Educational and General Expenditures as E & G
Represent Resident Instruction and Related Activities as RIRA

(1) SALARY BASE = 66% of RIRA
(2) RIRA = 68% of E & G
(3) STATE APPROPRIATION = 73% of E & G

From Statement (2)

(4) $$E \& G = \frac{RIRA}{0.68}$$

From Statement (1)

(5) $$RIRA = \frac{SALARY\ BASE}{0.66}$$

Substituting in Statement (4) from Statement (5)

(6) $$E \& G = \frac{\frac{SALARY\ BASE}{0.66}}{0.68} = \frac{SALARY\ BASE}{0.4488}$$

Substituting in Statement (3) from Statement (6)

(7) STATE APPROPRIATION = $$0.73 \left(\frac{SALARY\ BASE}{0.4488}\right)$$

STATE APPROPRIATION = 1.6265 SALARY BASE

STATE APPROPRIATION = SALARY BASE + 62.65% of SALARY BASE

B. Special 10% Factor

(1) STATE APPROPRIATION = 1.6265 SALARY BASE

(2) 10% (STATE APPROPRIATION) = SPECIAL 10% FACTOR

(3) STATE APPROPRIATION = 110% (1.6265 SALARY BASE)

(4) STATE APPROPRIATION = 1.7892 SALARY BASE

(5) STATE APPROPRIATION = SALARY BASE + 78.92 of SALARY BASE

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